

LNF & IHCIF Calculations Illustration

- KAYENTA in Navajo area -

Given Data

- 20,465 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 20% = % Expenditures on purchased services, 80% = % expenditures in-house
- 94.2% = Cost index for purchasing health care in this geographic area
- 92.4% = Size cost index for in-house costs due to small or large size
- 101.9% = Navajo area cost index for health status above or below average

Cost Adjustment Calculations

- \$571 per person for purchased services = $20\% * 94.2\% * \$2,980$
- \$2,193 per person for in-house services = $80\% * 92.4\% * \$2,980$
- \$2,764 per person total = \$571 (purchase) + \$2,193 (in-house)
- **\$2,817 per person total** adjusted for health status = $\$2,764 * 101.9\%$
- **\$2,072 per person net cost** = $\$2,817 - \745 Other resources (M&M&PI)

Existing Expenditures (for 20,465 users excluding wrap-around and collections)

- \$386 per person = local IHS allowance (excludes \$ for wrap-around)
- \$273 per person = expenditures elsewhere in Navajo area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$713 per person for OU users** = $\$386 + \$273 + \$54$

LNF Calculation

- **25.3% Gross LNF** = $\$713$ (expenditures) / $\$2,817$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **34.4% Net LNF** = $\$713 / \$2,072$ net cost ($\$2,817 - \745 other)

IHCIF Allocation

- \$10,852,813 = \$ to raise LNF% from 34.4% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$378,546 Allocation** = $\$10,852,813$ needed for 60% * 3.488% IHCIF fraction

KAYENTA Unmet Needs

- **\$42,406,918 Net Total Need** = 20,465 users * \$2,072 net cost
- **\$27,815,580 Net Unmet Need** = $(100\% - 34.4\% \text{ LNF}) * 20,465 \text{ users} * \$2,072 \text{ net cost}$